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United States Senate

COMMITTEE ON SMALL BUSINESS WASHINGTON, DC 20510-6350

September 9, 2002

BY FACSIMILE: (651) 290-5706 ORIGINAL VIA U.S. MAIL Mr. Tom Koopermeyers Deputy for Small Business U.S. Army Corps of Engineers 190 5th Street, East St. Paul, MN 55101

Dear Mr. Koopermeyers:

As the author of the 1997 legislation establising the HUBZone program, I congratulate the U.S. Army Corps of Engineers (Corps) on awarding the \$13.7 million contract to Gowan Construction. This contract is the largest HUBZone construction contract to date.

A contract of that size is real money to small business. By directing this contract to a HUBZone firm, the Corps has directed money into the hands of employees in some of the most distressed communities in the nation. This is a significant investment in getting those communities moving again.

The HUBZone program fundamentally changes the government's role in economic development. Instead of acting as a regulator, a grantmaker, or a tax collector, the government acts as a customer. HUBZone areas tend to remain distressed, year in and year out, because of the lack of a strong customer base. As a result, firms tend to avoid such areas.

By acting as a customer to these firms, the government fills that gap. Firms willing to locate in HUBZone areas have the chance to compete for the government's purchasing dollar, stabilizing these firms' revenues as they develop a private sector customer base. This purchasing power generates additional value for these communities in employee wages, which can then be used to support other new businesses in HUBZone areas.

Your continued support of this valuable initiative is essential to bring hope to areas that are currently mired in despair and neglect. I encourage you to continue to identify future contracting opportunities for the HUBZone program.

Once again, congratulations on this successful HUBZone contract.

Ranking Member